

2006 Wyoming Legislative Session

Joint Session

February 13, 2006

STATE OF THE STATE ADDRESS

GOVERNOR FREUDENTHAL: Before I begin my remarks, I want to observe that the ceremony changed a bit today in that I've known that each of you have a title and a role, but the House Appropriations Committee chairman on the way in told me he has been designated as official Wal-Mart greeter and he did a remarkably good job.

Mr. President, Mr. Speaker, members of the 58th Legislature, my fellow elected officials, members of the Judiciary, most of all, citizens of Wyoming, good morning.

In the spirit of good faith between governments, I want to recognize my friends from the Wind River Indian Reservation who have joined us here today: Councilman Spoonhunter of the Northern Arapahoe Council; Mr. Posey, Mr. Weeks, Mr. Shoyo of the Eastern Shoshone Council. Welcome.

Also, Nancy and I would like to join all of you in welcoming two new members of the legislature, Senator Ray Peterson and Representative Erin Mercer. We look forward to working with you.

Before I continue, I think it is most appropriate that we have a moment of silence in memory of Senator Laness Northrup and Governor Stan Hathaway.

I am pleased to come before you and the

people of the great state of Wyoming in this time-honored tradition of delivering the state of the State address.

Preparing for this important dialogue causes reflection upon the health of our state, our successes, failures and the challenges that lay ahead.

The state of Wyoming is in good health and over the past several years we've seized opportunities created by an incredibly robust economy. Our challenge in this session is to honor and preserve our past while creating a future for ourselves and the next generation.

And while we do have policy differences on occasion, we continue to pursue the proper balance between investments to help our citizens create wealth and investments to protect the long-term financial stability of the state.

We make progress in these chambers in large part because our brand of politics holds the needs of Wyoming above partisan and regional differences. This is in stark contrast to national politics. Anyone watching the Sunday morning news programs would have to be appalled by the political theatrics, the name calling, the posturing by our leaders of all political persuasions.

But in Wyoming we have taken a different course. Let me illustrate. Last year you passed and I signed the Higher Education Endowment package. That legislation helped meet our commitment to provide Wyoming citizens with a college education as nearly free as possible and to continue the improvements at the university and in our community colleges. Implementing legislation will be presented this session to jump start and fully fund by the end of the biennium the endowed shares of the Hathaway Student Scholarship Fund.

Legislation is a delicate balance of interests and priorities. Each of us, including me, no doubt would like to change the legislation just a little, but we must resist this temptation. Let us turn the proposed legislation into law, allow the program to operate for a few years, evaluate its operation, and then make adjustments. For in politics and public policy, as in life, our task is never quite complete. Perfection is sought, but never fully achieve. There are no final victories, only milestones, points of progress along our path.

One truly remarkable aspect of the Higher Education Endowment Act process is that it has all occurred with very little quarrel about credit or

ownership of the idea. Those of us gathered today, the citizens on the committees, the academic institutions, and the generations of leaders proposing these ideas in the past all contributed to our success.

And if together we stay the course, I have no doubt that former Governor Hathaway will be smiling upon us at the end of the session as his grand idea becomes a statutory reality.

This, of course, is a budget session. Collective energies will be devoted -- largely devoted to addressing key fiscal issues. Let me put this session and our mission into context.

Wyoming is blessed with an extraordinary flow of revenue from the development of the finite energy resource within our borders. This enviable financial situation has created a remarkable opportunity that we must seize. But it must be seized in a smart and sober manner.

This means rejecting the extremes. No one ever built a business or a state by recklessly spending every penny. And no one ever built a business or a state by saving every penny and failing to invest in infrastructure and its people. The challenge is finding the right balance between savings

to support future government employees and operations, investments in citizens, in infrastructure and programs to help the people of this state create their own wealth in a free enterprise system.

My budget has five basic elements. First, savings to the Permanent Mineral Trust Fund. I recognize by the action taken last session we have increased from 24 to 40 percent the amount of severance tax automatically saved in the Permanent Mineral Trust Fund. Nearly \$650 million will flow to the Permanent Mineral Trust Fund this biennium. Of that amount, \$259 million is the direct result of the statutory increase implemented last session.

Saving 40 cents of every severance tax dollar collected by the State allows us to reach and perhaps exceed those goals of \$4 billion by the year 2010. 40 percent, 40 percent is a truly remarkable savings rate.

The second aspect of this budget is a recommended \$500 million in savings placed in the Legislative Stabilization Reserve Account. This relatively liquid reserve is designed to assure that if energy prices drop dramatically, we can still fulfill the commitments in this budget. As I have in the past, I ask you to formalize this savings policy

by statutory or constitutional language.

The third component of this budget is full funding of the Hathaway scholarship program, the higher education endowments, K through 12 education, community colleges and the University of Wyoming. This is accomplished by these budget recommendations.

The fourth component is operating budget. In creating the operating budget I am mindful, and you should be, too, that we need to carefully limit our ongoing obligations. My recommended operating budget, including the Children and Families Initiative, is approximately \$2.1 billion. This is below the 2.3 to \$2.4 billion figure which is theoretically associated with avoiding a structural deficit according to the work done by the Legislative Service Office. Thus, it is safe to conclude that the proposed budget is structurally sound.

Fifth category of the budget is one-time expenditures. Many of these follow through on commitments previously made by this body. Water Development Account III, Wildlife Trust Fund, local governments, the trust fund for military dependents, Healthcare Commission, highway funding are typical of this category.

This is the greatest area of difference

between my recommendations and those of the Appropriations Committee. I have intentionally used the word "difference" rather than "disagreement." In a number of the areas it is unclear whether the items were deleted because there are separate legislative proposals addressing the same subject or if there is actually a fundamental disagreement about the state's future.

I would like to personally thank the members of the Appropriations Committee for the immense amount of time they spent hearing each of the agency requests. I can tell you from experience it is difficult as you approach this budget to spend the time necessary to examine each of the agency requests. I commend the committee for its diligence and its dedication.

Let us spend a moment on local government funding and our relationship with the cities and counties in general. Ronald Reagan, before he was president, spoke for many of us when he said, "I still believe that the government is best which remains closest to the people, but almost daily the Goliath that is the federal government moves to gather more power unto itself."

We under the gold dome are not yet as bad as

Washington, D.C., but I fear that through the power of the purse we are adopting an increasingly federal posture toward our elected friends in city and county governments.

As to the power of the purse, it remains my view that the limitations on local revenue sharing, or the caps, as they are popularly referred to, have outlived their usefulness. While the caps may have been appropriate in 2001, we need to remember that in that year the Consensus Revenue Estimating Group value for natural gas was as low \$3 per Mcf, for oil it was \$18 per barrel, and coal was estimated to be \$5.07 a ton.

But I'm also a realist. I recognize there is strong opposition to removing or significantly modifying the caps on local revenues. Mindful of this position, I ask you to join me in directly funding the more critical functions of local governments.

Regardless of one's position on the caps, cities and counties are facing major problems that are not going away: Clogged sewers, insufficient water pressure, barking dogs, potholes, fire emergencies, crimes and jails and on and on. These issues are local responsibilities.

Tax dollars that actually belong to the

taxpayers should be directed to the local governments that most directly serve those taxpayers. Rather than reducing my recommendations, I would encourage you to add to them.

Assistance for areas impacted by oil and gas development is a generally recognized need in this state. The expertise of the Local Government Coordinating Council crafted the \$100 million proposal which we have advanced to address this issue. This delicately balanced proposal enjoys the support of the Wyoming Association of Municipalities and the Wyoming Association of County Commissioners.

And this recommendation reflects three critical principles. First, it gives substance to Governor Hathaway's 1973 statement that "...the state has an obligation to assist these impacted communities..."

Second, it respects the role of local decision makers by providing them a predictable flow of funds for two years, rather than leaving local decisions and local planning to the whim of state government.

And third, it makes more funds available to the areas not impacted by energy development by preventing those impact-designated areas from

competing for the traditional State Loan and Investment Board Federal Mineral Royalty grants. These principles make sense and should be part of the aid package which I hope you will pass this year.

Now no one has claimed perfection in the current proposal. It is, in fact, the executive branch's obligation to advance a proposal which will initiate discussion, and we have done so. It may be appropriate to include additional counties under the impact designation or to create a program for cities and counties with perennial revenue shortfalls or to increase the direct distribution to all levels of local government. But let me remind you, when you expand these programs, each of these expansions should be accompanied by added revenue allocation. It does no good to spread the revenues so thin that it is ultimately a thin soup which provides no nourishment for the local governments.

I would also recommend for your favorable consideration a proposal to focus the resources of the State Treasurer's Office and the Wyoming Community Development Authority on the issue of housing in impacted and nonimpacted areas. The ultimate funding level is obviously open to discussion. The need to address Wyoming's housing shortage cannot be denied.

Let me speak a moment about the issue of tax relief. At the outset, allow me to quote from Governor Hathaway's 1974 message to the legislature. Governor Hathaway offered the following observation: "Now let me say that I feel just as strongly" -- this is in reference to his strong feelings about the constitutional amendment to create the Permanent Mineral Trust Fund -- "I feel just as strongly that any increase in mineral taxes should not all go to the permanent funds. I think part of it should go to the general fund to provide some tax relief for all people of Wyoming and to provide for the operating budgets of this state that are sure to increase."

Several tax relief proposals have been offered. My preference has been to remove the sales tax on utility bills, for I fear that the \$35 million in general and federal funds which are allocated for the weatherization and low-income energy assistance will prove inadequate to dull the cold knife of high energy costs. However, none of those proposals have gained broad-based legislative support.

However, there is one tax relief obligation created by the legislature in 1995 that we can fulfill without new legislation. In 1995 the legislature extended and made permanent a fourth cent sales tax.

There is a little noted and apparently not long remembered provision of this extension that provides that at the time financial solvency returns, the sales tax be reduced by one-half of 1 percent, thus reducing the statewide sales tax to 3 and one-half percent.

This action does not require two-thirds vote for introduction or the passages of separate legislation. The budget bill alone can trigger the reduction in taxes and will simply allow \$35 million to remain in the general fund as required by Wyoming Statute 39-15-104(d).

The 1995 Governor's message clearly articulates that the extension of the fourth penny sales tax was to be limited and that one-half of 1 percent was to be removed when revenues increased. Now, the estimated cost of this action was about \$73 million a year, and that includes appropriation that would be necessary to keep local governments funded. This action is taken meaning a 12 and a half percent reduction in the state sales tax and means 73 million more dollars in the taxpayers' pocket. We are certainly not in a position now to tell the public that no tax relief is appropriate in view of this statutory language and our current financial circumstance.

The recent district court decision provides an additional reference point for ongoing discussions of K through 12 education. The district court opinion vindicates both those who initiated the litigation in 1993 and the recent legislative actions. Wyoming can take great pride in the greater than 50 percent increase in our commitment to education funding since 1998. Clearly the system needed work, and in 2006 the district court indicated that the constitutional standard has largely been met.

Several operating budget items were cited by the district court as needing additional attention. The majority of those items are addressed by the current recalibration of the school funding model. We now have the opportunity to move the legislative and executive branch discussions away from an overemphasis on the constitutional adequacy of the dollars to the more important question of the quality of our educational system.

I have two requests in that regard. The first, you need to restore the instructional facilitators funding and return summer school and extended day funding to the model. We have spent considerable time and money creating this funding protocol. The court generally found it satisfactory.

We should not abandon the approach generally endorsed by the court without a solid, cost-based reason. Therefore, let us not waiver at this particular moment in our commitment to the funding of education.

Second, I would ask that through the Management Council or another appropriate mechanism you designate two individuals, more of your choosing, to participate with Superintendent McBride in discussions that may lead to the resolution of the ongoing litigation. We have been in court long enough.

Now, I fully recognize that on the last occasion on my first year in office when I asked the legislature to participate, I was told that individual legislators cannot bind this body. I agree with that principle. But it is not inappropriate for individual members of this body to participate in discussions that may lead to the resolution of this litigation, particularly since this body has not been named a party to the litigation, rather, the litigation is against the State of Wyoming. I hope that you will seize this opportunity.

Let me talk a moment about the school facilities construction side of the school funding litigation. I suspect it is appropriate to move, as

the district court has suggested, towards state funding of the roads and utilities associated with school construction. In the end the State will pay for these costs one way or another. It will pay through the State Loan and Investment Board, state revenue sharing with local governments, or with the School Facilities Commission, but we will pay.

This should be done in a very business-like manner, and I believe that is best accomplished by the School Facilities Commission. The School Facilities Commission can develop rigorous, conservative standards that assure cost-effective expenditures. Further, if other properties or facilities which are not part of the school building will benefit from the road or utilities, those properties should be recaptured by the State as they are developed. Private development benefits, construction of a road or utility that the State places to serve a school, some of that benefit should be returned to the State in some form of payment.

I also believe that the School Facilities Commission, as they proceed to adopt these guidelines for roads and utilities, should review the existing standards without any bias that may exist towards construction as opposed to building renovation.

I also commend for your favorable consideration legislation to improve the ability of the Community Facilities Program to respond to the larger community interests in school construction and utilization of older school buildings. Last year you passed and I signed the Community Facilities Program. Because of some wording problems in legislation, we did not reach the goal that was sought, which was aiding communities and adapting school construction to their needs and in developing a way to use the older schools. Legislation will be offered this year to address that, and I would encourage you to adopt it.

As many of you know, last month it was my honor to be included in a delegation to visit our troops overseas. I'm glad to report the Wyoming-connected soldiers I met should be a source of great pride for all of us in this chamber and all of Wyoming. They miss their families and they miss Wyoming. But morale is high and they are well trained and well equipped. Courage is the order of the day, as reflected in the set of their jaw and their steady gaze.

At every opportunity I reminded them of the love and support of the Wyoming people. I even bragged that the Wyoming legislature is one of the few

in the country that had committed to a permanent fund to support family members of deployed military personnel.

While I was traveling I also learned the true meaning of irony during my travels. As I was bragging on Wyoming and its legislature, I received an e-mail in Baghdad advising me that the request for an additional \$6 million to complete the funding of our permanent account to support military families had been denied. I ask you to restore this funding so that our commitment to the soldiers and the families can be honored.

We are joined in the gallery -- I would ask them to stand and I'll introduce them so you might recognize them collectively -- by Sergeant Daniel Nesvik, Army National Guard, NCO of the Year; Specialist Bryan Radkey, Army National Guard, Soldier of the Year. From the Air National Guard and recently returned from deployment, Lieutenant Colonel Shelley Fuerst, Commander of 243rd Air Traffic Control Squadron; Senior Master Sergeant Wayne Welsh, aircraft production controller, 153rd Maintenance Squadron. From F.E. Warren Air Force Base we have Airman First Class Connor Elayan and Senior Airman Lauren Hasinger.

Let us recognize them and in so doing

recognize the sacrifice of the families of deployed soldiers.

I might tell you that when I was at one of the bases overseas a young soldier familiar with Wyoming politics from Newcastle offered me the opportunity to bring body armor home for this address. I indicated to him that I thought it was safe, at least for the first day, and I appreciated it.

I want to talk a minute about the question of water and wildlife. Last session we committed to a Wildlife Permanent Account. We did it in recognition of the importance of wildlife and hunting to our economy and our lifestyle. In addition, in recognizing that Wyoming is a high plains, arid state with a need for a sustained and funded effort to develop water supply projects, we adopted Water Development Account III and refocused a part of the effort at the Wyoming Water Development Commission to long-term survival.

At the time of passing, everyone in this room and most of the public understood that these were initial steps on a journey that would extend for decades. In the post-session discussions last year among citizens and in the press nearly everyone listed these as positive accomplishments.

In this budget I included modest recommendations for additional funding of these two programs. The budget bill, as it stands today, adds nothing to the permanent fund for either of these programs for the next two years. I implore you to reconsider these decisions. Wyoming remains an arid, high plains region where water, wildlife and hunting are incredibly important to our economy, lifestyle and our future.

And if we are not going to fund these efforts, let us then be honest with the citizens of the state and repeal the language we adopted last year. We should not adopt patterns identical to the federal government. One year they authorize it, issue a press release and never fund it. We are not the federal government. We should not adopt their pattern of action. And obviously I'm not real fond of the federal government.

Similarly, I hope you will maintain at least a \$104 million commitment to the highways for construction or adopt something similar to the Transportation Committee proposal. Surface transportation of people and products is essential to our economy. Without adequate roads, people and our economy will suffer, particularly in this time of

rapid growth.

Most of you, I assume, drove to Cheyenne for this session. Most of you will drive home at the end of the day. Most citizens of this state utilize surface transportation for themselves and their families and the products in this city. The roads in this state need continuing attention. We need to invest in those things like roads which allow the citizens of this state to make a living and to build their own future.

On the issue of substance abuse initiatives, I would like to thank the First Lady for tackling one of our state's most important public health issues: Childhood drinking. She has taken a personal and passionate interest in the issue, empowering local community efforts and being a supportive voice for parents.

I would suggest that what she has done may set a template for how to attack a related and equally frighten problem - methamphetamine use. Studies tell us that alcohol abuse is a gateway to harder drug use, particularly methamphetamines. Thus, we can more effectively address meth problems by redoubling our attention to teenage and preteen alcohol abuse and at the same time recognizing the need for new approaches

to drug treatment and recovery.

Today's meth scourge isn't like the past drug problems. This is a drug that has more lasting impacts on the body. People need more time in treatment to recover. Unfortunately, the drug is easy to manufacture and far too readily available.

In the spirit of looking for new answers, I turn again to the governments closest to the people. Specifically, Casper and Cheyenne have embraced meth-free initiatives that are not dependent on state mandates. Rather, the opposite is true. Many of the suggestions coming from these community initiatives are worthy of state attention, such as advocating drug testing in businesses and building a fast track to treatment for those people who admit they have a problem. The state efforts should support community activism. I suspect these grass roots solutions would be more productive, closer to the people, than gold dome answers.

The director of the Department of Health and the new administrator of the Division of Substance Abuse have rolled up their sleeves and are ready to work with the legislature to address the methamphetamine problem and the issues raised in the recent legislative audit. I have designated a formal

liaison position within my office to make sure I am able to continue to work closely with the Health Department, Division of Substance Abuse and the local initiatives to advance this effort. I understand that there is legislation being considered by this body for funding in this area and I look forward to working with you on that legislation.

Wyoming residents continue to voice their concerns and their fears about healthcare. They worry about their ability to afford and maintain health insurance. They worry about the cost of healthcare. They wonder whether the doctors, nurses, pharmacists, mental health counselors and other caregivers will stay in Wyoming.

With guidance from the Healthcare Commission and the commitment of this body we have already taken some small but important steps. We've expanded training for doctors and nurses by supporting educational loans and increasing our medical training opportunities. There are impressive results from our WWAMI medical training program where nearly half of the first class of Wyoming physicians now practice in Wyoming communities.

Patient safety and quality care initiatives are also being implemented and phased in through

programs like the hospital safety reporting programs authorized by this body last year. We have initiated a project to develop an integrated database of claims and payment data for clients served through state-funded programs such as Medicaid, Workers Comp and the State Employees Insurance Program. The expectation is that this information will continue to be used to help reduce costs and enhance efficiencies.

Finally, I ask you to support the important work being done by the Healthcare Commission and to approve its reauthorization. We need their analysis, research and study to help us identify new areas to improve the ability and accessibility of quality healthcare. One such area may be telemedicine, particularly in the mental health and psychiatry area. Also, a medical liability premium assistance program being discussed in this session may greatly improve Wyoming's competitiveness with surrounding states when it comes to recruiting physicians.

I know that all of us in this room and I think nearly everyone in this state remain frustrated with the slow progress of the nation and the state in solving this most difficult and painful problem of rising costs of healthcare, but our frustration must not lead to hasty actions or to abandonment of our

efforts.

Again, let us work together, knowing that our state cannot enjoy economic success unless we can provide quality -- unless we can provide high quality, affordable healthcare to our citizens.

Now, two years ago we jointly initiated discussions about the future of families and children in Wyoming. Through the House Bill 33 process thousands of people across the state, including those in schools, courts, the faith community, businesses and nonprofits participated in this effort. Three of their recommendations will surface this session: Quality childcare and early childhood education, expansion of the school-based healthy living, healthy learning effort, and problem-solving courts.

I support all three of these recommendations and I will concentrate my remarks on quality childcare and early childhood education recommendation. I do this for two reasons. First, it is the top priority recommendation from the court; and second, it appears to be the recommendation that has caused the most legislative concern.

As you know, this is an effort, concentrated effort to improve the quality and availability of childcare and early childhood education in Wyoming and

it is not an inexpensive effort. It costs approximately \$14 million this biennium and to approach \$20 million a year in the future.

Although it is expensive, this proposal enjoys broad support. It enjoys the support of parents, grandparents, childcare providers because of their daily experience with the Wyoming childcare environment which is stretched too thin, underfunded and in some places simply nonexistent.

It is also supported by educators, healthcare providers, mental health professionals and social workers who have long argued the importance of quality early childhood programs as the key to future success to school and good health. Employers are fully aware of the conditions. Those employers struggling to find workers know full well the importance of high quality, reliable childcare. The State Loan and Investment Board enthusiastically endorsed a childcare project sponsored by local businesses in Riverton, sponsored by local businesses in an effort to ensure that they would have the workforce for their businesses.

If you consider the voices of corrections, social workers, government budgeters, you will quickly understand why \$1 spent on early childhood efforts

saves at least \$7 in future government expenditures.

There is an agreement that a problem exists and it must be addressed. The question which remains is whether this is the right approach. I have two responses. First, this proposal is based on two years of work by citizens, legislative committees and professionals in the field. We should have faith in their expertise and judgment. And second, I have heard absolutely no alternative suggestion that addresses this issue.

For those who want a guarantee that this will work, I say there are no guarantees except that if you do nothing, our grandchildren will live in a society of neglected children and struggling families. For me this is simply not acceptable.

Several measures related to sexual exploitation of children will be submitted for your consideration. This is a criminal law issue with which I had some considerable experience during my tenure as United States Attorney. I realize that some people view my attitude towards these offenders as harsh, but these are heinous crimes focused on the most vulnerable of our society. It may be years or decades, if ever, before emotional and sometimes physical scars caused by these traumas ever heal.

Please resist the urge to spend another year studying them. I believe there is a majority prepared to vote for enhanced penalties and a sex offender registry that contains all those convicted of child exploitation, not just those determined likely to reoffend. Let us at least take these steps this year and work toward additional steps next year. If these steps can save just one child, then progress has been made.

I wish to thank the Appropriations Committee for supporting an expanded budget for workforce training. As you no doubt know from the employers in your area, the list of critical needs to continue our economic solution is led by the need for trained workers.

Continuing growth in the oil and gas industry, power plants and coal beneficiation, capital construction, all of the services associated therewith are dependent on work force availability. And we all share in a desire for that workforce to be Wyoming citizens. The successful Wyoming Contractors Drilling School in Casper, the joint industry/college programs at Western Wyoming College are only harbingers of the success we will enjoy in the future.

Now, the recommended state support for a

vocational training facility in Gillette was not greeted with great enthusiasm. The combined arguments of "what's in it for me" and "the rich are getting richer" defeated this proposal before the merits were ever reached. It did not address the merits of trying to develop a facility which would provide a trained workforce in Wyoming.

Legislation will be presented to again bring this issue before you. Please give it a fair hearing, not based on regional preference, not based on partisanship or on bias, simply a hearing on its merits. Efforts to build a workforce in this state deserve your support.

I would like to speak for a moment about the people who are our employees. I'm referring to the state employees who are employed by both the executive and legislative branches. Over the years we've made progress in addressing health insurance and external cost adjustments for state workers. There has been continuing discussion about moving employees to comparable market wages and frankly some progress has been made.

However, we have made much greater progress in this area for a K through 12 system, higher education employees and your personal employees in the

Legislative Service Office than we have for the remainder of the state workforce.

I understand you adjusted the salaries for the Legislative Service Office employees in December, and you should receive today the final adjustments for salary changes throughout the system. It is my expectation to forward to you comparable suggestions for state employees before you begin deliberations on a budget. I hope you share my view that state workers should be treated on a par with those employees working in the Legislative Service Office, higher education and our educational system.

Now, last year as a result of the multi-year discussions about retiree health insurance, you funded an actuarial study of all of the options. Based upon your study, I recommended a modest funding proposal to help our retired employees keep their private health insurance. I would rather see private insurance providing support for healthcare expenses than to see people added to state assistance roles. This is a sound economic principle. I hope you will support this proposal or fashion one of your own based upon the study you funded last year.

This speech cannot be finished without a discussion of the development of our state. Our

policy regarding energy development is straightforward. We appreciate the role our state plays in the national energy picture. We appreciate the opportunities that energy revenues create for the state. Thus, we welcome energy development, provided that it is done right, provided that our laws and regulations are honored, and provided that the scale of development is matched by state monetary support for impacted communities.

Energy production in many forms -- coal beneficiation, coal gasification, clean coal, electricity, deep gas, coalbed natural gas, wind power, ethanol, conventional oil, enhanced oil recovery and uranium -- sparks conversations from coffee shops to board rooms all over Wyoming and the nation. Global markets in an energy-hungry world drive, with equal vigor, financial hardships for Wyoming consumers and impatient interest in producing the resources located within our borders.

Our continuing struggle is to take full advantage of the opportunities this presents and to minimize the potentially adverse impacts. And this current energy expansion has a full measure of both remarkable opportunities and potentially adverse impacts.

I encourage your support of the statutory and budget proposals to move our clean coal and enhanced oil recovery efforts. In this connection I would draw special attention to the proposed Energy School at the University of Wyoming. We have worked for many years to move this idea to reality. I ask you to pass this legislation with a restriction limiting the university's ability to spend funds pending development by the advisory committee of a Strategy for Excellence to guide the development of the school.

Likewise, I thank the combination of citizens, public interest groups, industry for supporting a package of technology, monitoring, modeling and personnel at the Department of Environmental Quality, State Engineer's Office, Wyoming Oil and Gas Commission. These agencies are the fulcrum upon which the balance between protecting our lifestyle and encouraging development will ultimately be struck.

I will be forwarding to you a request for an amendment to the water development legislation asking that you support a \$500,000 appropriation to fund a Level II feasibility study of moving treated coalbed methane water from the Powder River Basin to the

Platte River. This study is to be conducted in conjunction with companies controlling a substantial portion of the coalbed methane leases in the Basin.

Now, in conclusion -- the reason why speakers say "in conclusion" is to give you some faith the thing is about over. During my recent travels to visit our troops it was natural to compare the life we lead with all I heard and saw. Whether it was in conversations with the soldiers, the Afghan provincial governors, Pakistani aid workers or the Iraqi colonel, the inescapable conclusion is that we are incredibly fortunate to live in America and we are doubly blessed to live in Wyoming.

But the grace of good fortune binds us to this awesome obligation to exercise the privilege of self-government and the blessing of a strong economy, not just for ourselves. As the Scripture tells us, "To whoever much is given, of him much will be required." You must remember those less fortunate within our state, particularly those at the dawn of their time and those in the twilight of their journey. We cannot forget and must not forget that Providence, not man, has made us temporary stewards of this remarkable earth. We must treat it properly to preserve the rare and unique, while developing the

remainder with great care.

And we, this chamber, bear particular responsibility to do all of this in a manner that retains the civility and idealism that is so vital to public service.

"With malice toward none, with charity for all; with firmness in the right, as God gives us to see the right, let us strive to finish the work we are in..." Lincoln spoke those words in his second inaugural address, six weeks before his death. I was reading a remarkable Lincoln book while I was on this trip. It strikes me that Lincoln challenged two groups that had gone to war to work with each other to salvage the Union. We in Wyoming are tremendously lucky to not have warring factions, or even the enmity that troubles the nation's capital. We can set a standard in politics by working together "as God gives us to see the right," to finish the work that is before us. May God bless you, may God bless Wyoming and may God bless America.

Thank you.